



CAFTA FACTS #3
No Room in the Middle
NAFTA Failed to Create a Vibrant Middle Class in Mexico
Prepared by the Office of Congressman Sherrod Brown

Mexico now ranks as one of the world's ten largest economies, in excess of \$600 billion per year. While overall wealth increased since passing the North American Free Trade Agreement (NAFTA), poverty has also increased.

NAFTA's supporters always fail to include wealth distribution and income disparity figures when discussing NAFTA's alleged success.

In Mexico ten percent of the population controls roughly 50 percent of the nation's wealth. While the wealthiest in the nation have made great economic gains, the poor continue to earn under \$5 dollars a day.

While the percentage of Mexicans living in poverty since the early 1990s has remained constant at upwards of 50%, the population grew from 70 million in the 1980s to 100 million at present.

This leaves an estimated 19 million additional Mexicans impoverished. According to Mexican President Vicente Fox, 54 million Mexicans cannot meet their basic needs. There is no burgeoning middle class in Mexico—just another of NAFTA's failed promises.

The CAFTA model builds on this recipe for disaster. When you consider that a typical Central American consumer earns only a small fraction of a typical American worker's wage, it becomes clear that CAFTA's true objective is not to increase U.S. exports. More than 40 percent of workers in the region labor for less than two dollars a day, placing them below the global poverty level

Congress must devise trade agreements to promote business development and jobs in the U.S. as well as economic advancement overseas.

CAFTA should help Central American workers earn enough to buy American-made products. It's time to rethink the president's failed trade policy and do what's right, not just for multinational corporations, but what's right for workers, small businesses, communities, and the environment.

The president is on the wrong track. Congress must demand a smarter trade deal than CAFTA.